

Before the
POSTAL REGULATORY COMMISSION
Washington, DC 20268-0001

Mail Processing Network Rationalization
Service Changes, 2012

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Docket No. N2012-1

NATIONAL POSTAL MAIL HANDLERS UNION INTERROGATORIES TO USPS
WITNESS CHERYL D. MARTIN, (NPMHU/USPS-T6-1-26)

Pursuant to Rule 26 of the Commission's Rules of Practice and Procedure, the National Postal Mail Handlers Union ("NPMHU") hereby submits the following interrogatories to USPS witness Cheryl D. Martin. If necessary, please redirect any interrogatory to a more appropriate USPS witness.

Instructions and Definitions

"USPS" or "Postal Service" means the United States Postal Service, its employees, agents, witnesses, and all other persons who act under the direction of the United States Postal Service, including but not limited to consultants and other independent contractors.

"Mail Processing Network Rationalization Service Changes, 2012" or "MNPR" means the proposed restructuring of the USPS's mail distribution and transportation network presented to the PRC in its December 5, 2010 "Request of the United States Postal Service for an Advisory Opinion on Changes in the Nature of Postal Services."

“MNPR Network” means the mail distribution and transportation network required to implement the USPS’ MNPR and that, inter alia, accommodates the USPS’s elimination of 252 mail processing facilities.

“Documents” has the meaning as ascribed within the federal Rules of Civil Procedure and includes any documents or things that constitute or contain matters that are relevant to the subject matter of this proceeding and that are in the custody or control of the USPS.

“Losing facility” is defined and used herein in the same manner as it is defined and used in Section 1-1.2 of the PO-408 handbook.

“Gaining facility” is defined and used herein in the same manner as it is defined and used in Section 1-1.2 of the PO-408 handbook. The term document has the same meaning as ascribed within the federal Rules of Civil Procedure.

The term “person” means any natural person, corporation, partnership, proprietorship, association, organization or group of natural individuals.

The term “identify,” when used with regard to a person means to provide the full name, position, address and telephone number of the person.

The term “identify,” when used with regard to a document means to describe the subject matter of the document, its author, its date and any addressee.

A response to NPMHU/USPS - T6-24 may be deferred to until February 21, 2012. Please respond to all over interrogatories according to the time frames established by the Commission’s Rules of Practice and Procedure.

Interrogatories

NPMHU/USPS - T6-1 Did you or the USPS create, design, or map a comprehensive proposed transportation network that indicates the origin, destination, distance, annual frequency, carrier (i.e., PVS or HCR) and time of occurrence for each surface transportation route that will either provide mail to or receive mail from any gaining facility in the USPS' MNPR Network?

NPMHU/USPS - T6-2 If your answer to Interrogatory NPMHU/ USPS - T6-1 is no, identify any category of information described in NPMHU/ USPS - T6-1 that the Postal Service's model presently lacks.

NPMHU/USPS - T6-3 Referring to the subset of routes you analyzed in part II.B of your testimony USPS-T-6 (and identified on the spreadsheet entitled "Plant to Post Office" of LR-N2012-1/11):

- (a) Confirm that this subset does not constitute a statistically random sampling, or a representative sampling, of the full set of routes that will be altered, eliminated, or added as a result of the USPS' MNPR
- (b) Confirm that you selected the subset of routes you analyzed in part II.B of your testimony USPS-T-6 (and identified on the spreadsheet entitled "Plant to Post Office," LR-N2012-1/11) solely on the basis that these AMP studies were the first completed;
- (c) Confirm that there was no reason related to your analysis that these particular AMP studies were the first completed.

(d) If any of (a) through (c) is not confirmed, please explain why these statements are not accurate.

NPMHU/USPS – T6-4 Does the list of routes contained in the spreadsheet “Plant to Plant Trips” (LR-N2012-1/11) represent the entirety of USPS ground transportation routes for transfer of mail between USPS mail processing facilities?

NPMHU/USPS – T6-5 For each plant-to-plant surface transportation trip that will form part of the MNPR Network, please identify the trip and provide the same categories of information for that trip as are provided for the trips listed in the spreadsheet “Plant to Plant Trips,” LR-N2012-1/11. Please provide the USPS’ best estimate of the “Trip Miles” and “Utilization” for each such trip.

NPMHU/USPS - T6-6 In designing transportation routes for the MNPR Network, did you or the USPS account for delays:

- a) caused by traffic, including but not limited to regular traffic delays occurring in municipal areas around rush hour (i.e., 7-10AM and 4-7PM)?
- b) caused by regularly occurring weather patterns, such as snow in New England and certain Western states?
- c) If the answer to either (a) or (b), please explain how these factors were accounted for, and provide supporting documentation for these calculations.

NPMHU/USPS - T6-7 In calculating transportation time and revised service standards in the proposed MNPR Network, did you or the USPS account for delays:

- a) caused by traffic, including but not limited to regular traffic delays occurring in municipal areas around rush hour (i.e., 7-10AM and 4-7PM)?
- b) caused by regularly occurring weather patterns, such as snow in New England and certain Western states?
- c) If the answer to either (a) or (b), please explain how these factors were accounted for, and provide supporting documentation for these calculations.

NPMHU/USPS - T6-8 With respect to the “intermediate location[s] or hub[s]” (USPS-T-3, at 8) or any other kind of transportation hubs or centers, if any, that will be required to support the MNPR transportation network, identify:

- (a) The estimated number of such hubs that will be required;
- (b) The location of each such hub;
- (c) The estimated number and size of the PVS or HCR vehicles that would load and unload mail at each such hub; and
- (d) Whether any of the required hub locations already exist within the USPS network and, if so, identify the location, the number of docking ports, total square footage of dock space, the number of 53' trucks that can be docked at any one time, and the number of access roads to the facility's docking space.

NPMHU/USPS - T6-9 Confirm that some portion of the processing facilities slated to be consolidated under the MNPR might need to remain open, at least in part, as an

intermediate docking location or mail transfer hub. If not confirmed, please explain why this statement is incorrect.

NPMHU/USPS - T6-10 Describe all plans for construction, purchases, leasing, alterations, and/or remodeling that would be required for the establishment of the required intermediate location or hubs, including by identifying any costs associated with any such construction, purchase, leasing, alteration, and/or remodeling.

NPMHU/USPS - T6-11 Please confirm that your estimate of a 24.71% reduction in Plant-to-Plant transportation, as stated on page 9 of your testimony, is based on a projected reduction in the number of Plant-to-Plant trips, and not based on a reduction in the number of operating miles or some other figure. If not confirmed, please explain what this figure is based upon.

NPMHU/USPS - T6-12 Please confirm that your estimate of a 13.68% reduction in Plant-to-Post-Office transportation, as stated on page 12 of your testimony, is based on a projected reduction in the number of miles travelled, and is not a projection of a reduction in cubic-foot miles of transportation (as that phrase is used by witness Bradley) or some other calculation. If not confirmed, please explain what this figure is based upon.

NPMHU/USPS - T6-13 On page 11 of your testimony, you state that "[b]y reducing the number of plant-to-Post Office links within a defined geographic area and collapsing

two service areas into one, the Postal Service will be able to reduce the number of operating miles within that area. Please confirm that this conclusion is based solely on your analysis on a subset of routes in the network (see USPS-LR-N2012-1/11). If not confirmed, please explain why this statement is incorrect.

NPMHU/USPS - T6-14 Please provide: (a) the average utilization of PVS and HRC trucks in transporting USPS mail within the contiguous United States; (b) the average estimated utilization by PVS and HRC trucks in transporting USPS mail within the contiguous United States in the proposed MNPR network.

NPMHU/USPS - T6-15 Referring to Library Exhibit N2012-1/11, please update the sheet showing plant-to-plant routes with the planned routes and estimated utilization percentages under the MNPR, assuming all pending AMP studies are approved.

NPMHU/USPS - T6-16 Please describe the limits, if any, that you placed on the percentage planned utilization for surface transportation routes – both Plant-to-Plant routes, as well as Plant-to-Post-Office routes – in designing or modeling the “rationalized” transportation network that serves as the basis for the trip- and mileage-reductions identified in USPS-LR-N2012-11/1.

NPMHU/USPS - T6-17 Please describe how the rationalized transportation network that you designed and that serves as the basis for the trip- and mileage- reductions

identified in USPS-LR-N2012-11/1 accounts for fluctuations in the amount of mail transported over a given surface route and the potential for such fluctuations to result in amounts that exceed the load capacity of the given transportation vehicle.

NPMHU/USPS - T6-18 For each Gaining Facility in the MNPR Network, and assuming that any pending AMP studies related to that Gaining Facility are approved, provide the number and size of the PVS or HCR vehicles that would daily load and unload mail at that facility according to the MNPR and the time frame for such loading and unloading.

NPMHU/USPS - T6-19 Referring to Library Reference N2012-1/11 associated with your testimony:

- (a) Please explain why approximately 65 routes have “no data” associated with the utilization column.
- (b) Please explain how certain routes can have average utilization of 100%, or close to 100% utilization, and how utilization of 100% or close to 100% can accommodate fluctuations in mail volume.
- (c) Please explain how certain routes can have average utilization of 0%
- (d) Please explain why certain routes have extremely low utilization, including those routes with utilization of under 20%. For instance, is it accurate that 307 times per year, the Postal Service is sending a truck 96 miles from the Mid-Hudson PDC to the Albany PDC with an average utilization of 1%?

(e) Please explain what steps you or the Postal Service has taken to ensure that the utilization figures in this table, which you state in your response to PR/USPS-T6-4, “reflect an average utilization over a 14 day period in early October 2011” are representative of the average utilization for those routes.

NPMHU/USPS - T6-20 Please refer to page 13 of your testimony, where you state “Although such savings would be mitigated by any increase in transportation cost due to the fact that remaining plants must be connected to more Post Offices in the realigned network, I expect the Postal Service to realize plant-to-Post Office surface transportation cost savings when it rationalizes the processing network.”

(a) Please confirm that the estimated cost savings presented in this docket do not include the mitigations from any increase due to the fact that remaining plants must be connected to more Post Offices. If not confirmed, please identify the testimony and/or library reference that accounts for these increases.

(b) Please state whether an increase in the number of connections between the remaining plants and Post Offices would increase: (i) the number of operating miles in the Plant-to-Post Office network; and/or (ii) the number of miles in the overall network.

NPMHU/USPS - T6-21 In your response to Public Representative Interrogatory PR/USPS-T6-6, you state that increases in transportation costs “are accounted for in the transportation portion of each AMP study.” For each of the proposed consolidations listed in Library Reference N2012-1/6, please provide any estimates of

increases or decreases in transportation costs that the Postal Service has calculated as part of the ongoing AMP process, without regard to whether the AMP study in question has been approved, withdrawn, or is currently under review.

NPMHU/USPS - T6-22 Referring to Library Reference N2012-1/27:

- a) Please confirm that these tables include both Plant-to-Plant miles and Plant-to-Post-Office miles; and if not confirmed please explain how this statement is wrong.
- b) For those files that contain blanks or number signs (i.e., ###) in the line listing annual savings by facility, please provide the numbers.
- c) Please explain why there is so much variability in the current cost per mile (e.g., in routes associated with Duluth, MN, the cost per mile varies from \$.89 per mile to \$3.44 per mile).
- d) Please explain how you determined the proposed cost per mile, and your basis for determining that the proposed cost was reasonable, given the variability discussed above.
- e) Please confirm that the number of trips in both the gaining and losing facilities does not change from the current trips to the proposed trips; if not confirmed, please identify specific AMP studies contained in N2012-1/27 that do show changes in the number of trips.
- f) Will the number of trips in the proposed MNPR be the same as the number of trips in the current network? If not, please provide the expected change.

NPMHU/USPS - T6- 23 In response to PR/USPS-T6-12(e), you stated that your office estimates “proposed [transportation] costs which are often lower than the proposed costs developed by the field.” Please explain why the cost estimates developed by your office are often lower than the cost estimates developed by the field.

NPMHU/USPS - T6-24 In response to PR/USPS-T6-12, you stated that you will update your testimony in this docket “[w]hen all of the AMP studies relevant to this docket have been completed.” Please update your testimony, including by providing updated estimates of costs savings and updated estimates of reductions or increases in operating miles, with all of the AMP studies completed as of February 15, 2012.

NPMHU/USPS - T6-25 Please explain how you or the Postal Service accounted for dock capacity at individual facilities when developing the MPNR network. In your answer, please describe any plans for increasing dock capacity at any facility, and please provide any figures for current dock capacity utilization at facilities that will remain in the proposed MPNR network.

NPMHU/USPS - T6-26 Your testimony indicates that, in the MPNR network, an increased percentage of mail will be carried by HCR rather than PVS.

- (a) What guarantees do the HCR contractors give the USPS that they will be able to transport the mail within the time frames established by the Postal Service and handle increased mail volume associated with volume variability?
- (b) Please provide a sample HCR contract.

Respectfully submitted,

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